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THE Demand and Price SITUATION

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UNITED STATES DEPARTMENT OF AGRICULTURE
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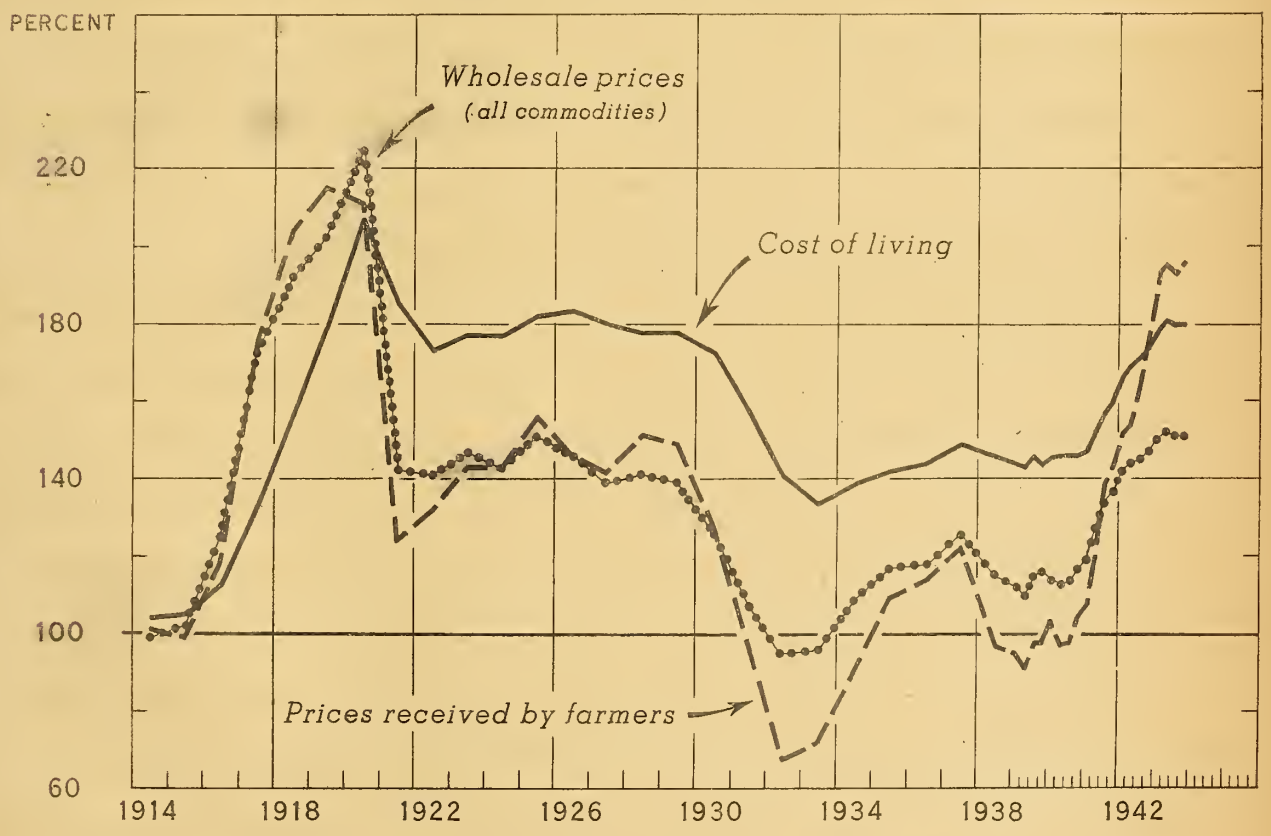
WHOLESALE PRICES OF ALL COMMODITIES, PRICES RECEIVED BY FARMERS, AND THE COST OF LIVING, UNITED STATES, 1914-43

INDEX NUMBERS (1910-14=100)



U. S. DEPARTMENT OF AGRICULTURE NEG. 43567 BUREAU OF AGRICULTURAL ECONOMICS

Since 1914 the prices received by farmers in the United States have been more variable than the average wholesale prices of all commodities. The cost of living has been considerably more stable than either prices received by farmers or wholesale prices. From 1920 to 1932 prices received by farmers declined 67.8 percent, wholesale prices 53.0 percent and the cost of living 31.9 percent. From 1932 to 1943 they rose 183.8, 58.9 and 27.0 percent respectively. Each of the three indices is now lower than it was shortly after the First World War, largely because of Government price control. However, Government price control has not greatly altered the behavior of each index relative to the other two.

DEMAND FOR FARM PRODUCTS

Demand for farm products is continuing at the very high level established late in 1943. Consumer incomes are more than sufficient to buy all of the farm products available or likely to become available in 1944 for civilian use at current stabilized prices, although there are temporary surpluses of a few products such as potatoes and eggs. The index of income payments 1/ for February 1944 was 230.4. This is 1.9 percent above the figure for January and 13.8 percent above February 1943. Salary and wage payments were 1.9 percent larger in February than in January in spite of the growing shortage of manpower. With substantially stable prices, these increases in consumer incomes, except for the amounts taken in higher taxes, are available for the purchase of larger quantities of goods and services, including farm products, whenever they become available.

The dollar volume of retail trade has been remarkably well maintained despite the shortage of certain kinds of goods. The seasonally adjusted index for February (1935-39 = 100) was 176.6, only 1.2 points under January, when the index reached its highest point during the present war. Stores selling durable goods have about maintained their 1935-39 dollar volume of sales, with an index of 100.4 in February. Stores selling nondurable goods have doubled their pre-war volume, with an index of 201.4. Since retail prices as a whole are about 35 percent above their 1935-39 level, it is apparent that the physical volume of durable goods sold at retail has declined, while that of nondurable goods has increased considerably.

As estimated by the Bureau of the Census, the total civilian labor force of the country amounted to 51.1 million persons in February 1944. This is a decrease of 400,000 from January and of 2.1 million from February 1943.

1/ Department of Commerce, 1935-39 = 100.

Civilian employment in February declined to 50.2 million persons, which was 1.5 million or nearly 3 percent less than in February 1943. The continued need for men in the armed forces is likely to cause further reductions in employment. The estimated number of unemployed in February was 0.9 million. This is the lowest figure on record and is the same as the estimates for the last 3 months of 1943.

-- April 17, 1944

Industrial Production

The seasonally adjusted index of industrial production 2/ increased two points from December 1943 to February 1944, following a drop of six points from November 1943. The index for February 1944 at 243 was 11 points or 4.7 percent above February 1943. Indications are that there was little change in total industrial production in March. Steel production was 1.2 percent higher in March than in February, but bituminous coal, electric power and petroleum were all slightly lower.

Production of durable manufactured goods reached an all-time high in November 1943, when the index was 377. By February 1944, the index had declined to 368 or 2.4 percent. Most of this decline appears to have been due to shifts in military requirements. These shifts have reduced the requirements for certain types of war materials and created problems of converting a few plants to other uses. However, the over-all effect of these factors has been small up to the present time, and it is not likely that their importance will increase much in the near future.

Production of nondurable manufactured goods expanded from 1939 to 1943 at less than one-half the rate of durable manufactured goods. However, the index of production of such goods reached a peak of 179 in November 1943 -- the same month as the peak in durable goods. In February 1944, the index for nondurable goods was 175, which represents a decline of 2.2 percent from the peak. There have been declines in the production of paper and paper products, textiles, tobacco products, and chemicals. The decline in the production of chemicals largely reflects changing military requirements, while the declines in other products mentioned appear to have been caused by shortages of raw materials, labor or both.

Production of manufactured food products, which is included in the nondurable goods group, has continued to increase in recent months. In February 1944, the seasonally adjusted index of production of manufactured foods reached an all-time high at 157 as compared with 149 in November and 141 in February 1943.

Price Trends

Under the influence of the national stabilization program, commodity prices have shown remarkably little fluctuation during the past year. The

2/ Federal Reserve Board, 1935-39 = 100.

all-commodity index of wholesale prices 3/ for March 1944 was 103.8 as compared with 103.4 one year earlier. The highest point reached during the year ended March 1944 was 104.1 in May and the lowest was 102.9 in November 1943.

Wholesale prices of farm products rose much more rapidly during the early part of the war than did the prices of other products. From May 1941 to May 1943, the prices of farm products rose 64.5 percent as compared with 10.6 percent for commodities other than farm products and foods. Since May 1943, wholesale prices of farm products have decreased 1.7 percent while prices of other products have increased 1.4 percent.

The index of the cost of living in large cities in the United States 4/ was 123.7 in February. This is the lowest figure since August 1943, when the index was 123.4. Recent declines in the cost of living have been caused by declining food costs. The index of food costs was 2.7 points lower in February 1944 than in August 1943; nonfood costs were 2.2 points higher in February than the preceding August. There have been small increases in recent months in the index for each of the individual groups, except housing, included in the nonfood part of the index. The largest declines in food costs have been in the cost of eggs and of fruits and vegetables. These declines are partly seasonal.

FARM INCOME AND PRICES

The index of prices received by farmers for April may be down slightly because of a drop in crop prices. Prices for livestock and livestock products will probably remain about the same as in March. Volume of farm marketings in April is not expected to change much, as compared with March, and income may be slightly lower.

Present information indicates a much smaller increase than usual in total income between February and March. Income from farm marketings in March was about 1.4 billion dollars compared with 1.3 billion in March 1943.

Total receipts from farm marketings for the first 4 months will be about 5.6 billion dollars, compared with 5.0 billion dollars for the same period in 1943.

Animals slaughtered under Federal inspection in March were at record levels for the month, but cattle, hogs, and sheep made only small percentage gains over February. Calf slaughter in March, however, rose 28 percent above the month before to a figure which was second only to the 1937 record.

Laying hens on hand during March 1944 numbering 5 percent more than in March 1943 produced 4 percent more eggs in March this year than in the same month last year and 26 percent more than in February 1944. Milk production in March was about the same as a year earlier and 14 percent greater than for February this year.

While the volume of crops sold in March was slightly lower than in February, some strengthening of prices prevented much decrease in income

3/ Bureau of Labor Statistics, 1926 = 100.
4/ Bureau of Labor Statistics, 1935-39 = 100.

from crops. Prices of livestock and livestock products were about the same as for February, but volume of marketings rose, resulting in an increase in livestock receipts over February that was not quite as great as usual. Prices received by farmers for all farm products in March were 0.5 percent greater than in February.

According to the preliminary estimate, total income from farm marketings for February was 1,334 million dollars compared with 1,536 million dollars for January and 1,126 million dollars for February last year. This drop was not as great as usual even after allowing for the extra day in February. Income from all crop groups except oil-bearing crops, tobacco and fruits and nuts was at least as high as usual in relation to January. Although the decline in receipts from calves and sheep was greater than generally takes place, income from both cattle and hogs dropped much less than seasonally and consequently, total receipts from meat animals decreased less than usual. Sales of milk in February were unusually large, which resulted in relatively high income from dairy products. Exceptionally large sales of eggs, even though at prices lower than in February, accounted for the larger than usual receipts from poultry products.

COTTON

Cotton consumption during March totaled 902,102 bales, or 39,222 bales per working day. This is essentially the same daily consumption as the average during the first 8 months of the current season, for which the equivalent annual rate was 10.1 million bales, 9 percent under the 1942-43 consumption of 11.1 million bales. For the corresponding months of last season the annual rate was 11.3 million bales, which was 12 percent higher than this year. This decline in consumption is in no way attributable to a lack of demand for cotton textiles. In fact, an even larger volume of goods than was produced at the higher rate last year probably could have been moved at ceiling prices.

The labor situation, consisting of (1) the high turn-over rate among textile workers, (2) loss in labor efficiency as it became necessary to recruit inexperienced people to replace experienced workers, and more recently (3) the decline in the number of employees in the industry (10 percent during the past 13 months), has been the most important single factor accounting for the declin in consumption but other causes also have been present. It remains to be seen to what extent, if any, cotton consumption will be bolstered by (1) recent ceiling price increases for certain classes of cotton textiles, (2) the amendment to Limitation Order L-99 to direct all cotton yarn manufacturers to produce at least up to their maximum 1943 quarterly level, and (3) the War Manpower Commission order calling for 48-hour per week operations. These actions were designed to obtain increased textile output from the industry.

Cotton prices have held within a rather narrow range during the past month. The 10-market price of Middling 15/16 inch fluctuated between 21.04 and 21.28 cents, and the average of 21.11 cents compares with 20.93 the preceding month and 21.28 during the corresponding period last season. For some months cotton prices have tended to strengthen whenever the news pointed toward a long war in Europe and to weaken whenever the news indicated a possible early peace. Although war development is one of the principal forces in the cotton market at present, considerable attention is also being given to new crop prospects. Plantings have been delayed in much of the South by widespread

heavy rains. Labor is scarce in many areas and farm wage rates per day without board on April 1 were from 40 cents to 1 dollar per day higher in the cotton-growing States than a year ago, at which time they were the highest on record.

WHEAT

With wheat consumption being maintained at very high levels, cash wheat prices are expected to continue at about the ceilings. During the past several months prices have remained generally close to such levels. Prices at Portland, however, are still 9 cents under the ceiling. Weakness in wheat prices in that market continues to reflect suspended lease-lend buying.

The winter wheat crop indication based on April 1 condition was 602 million bushels, 75 million above the December figure, 72 million above the crop in 1943 and 31 million above the 1933-42 average. The indicated improvement since December has been in both yields and reduction in acreage loss. The winter favored soft winter wheat, the four leading States of Ohio, Missouri, Indiana, and Illinois having a total crop indicated more than half again as large as in 1942 and 1943, and only moderately below the 1933-42 average. Supplies of this type of wheat have been short in the past 2 years. The greatest improvement in winter wheat prospects has occurred in western Kansas, and the adjoining wheat sections in Texas, Oklahoma, and Colorado; prospects in Nebraska, however, are still uncertain and will depend greatly on subsequent rainfall. In these five States, which lead in hard red winter wheat production, the indicated crop is above the 1933-42 average but about a fourth lower than in 1942 and 1943 when yields per acre were well above average. In the Northwestern Plains there is ample moisture, and wheat is largely in satisfactory condition in the Pacific Northwest.

Assuming spring wheat yields equal to those of the post-drought years on the acreage reported in intentions, and including the April estimate for the winter crop, the indicated 1944 production of all wheat would be approximately 825 million bushels. A crop of this size would take care of all the wheat needed for domestic consumption as food as well as seed, normal feeding, moderate exports, and moderate quantities for the production of industrial alcohol. Above normal feeding, continued use of very large quantities of wheat for alcohol, and very large exports would still necessitate substantial imports if our reserves are to be maintained at a desirable level.

The carry-over of old wheat July 1, 1944, is expected to be about 300 million bushels. This is based on an expected total disappearance for 1943-44 of about 1,250 million bushels, the largest in our history. This disappearance is now broken down approximately as follows, in million bushels: Food 540, feed 470, seed 80, alcohol 110, and exports 50. The carry-over last July was 616 million bushels, the crop 836 million, and it is estimated that imports may total about 125 million, making total supplies about 1,575 million bushels.

The surplus in Canada, while rapidly disappearing, still remains large. It is expected that the August 1, 1944 carry-over of old wheat in Canada will be nearly 400 million bushels, compared with 601 million a year earlier. Stocks in the four principal exporting countries -- Canada, Argentina, Australia, and the United States -- on July 1, 1944, are expected to total about 1,250 million

bushels. Of this quantity fully 820 million may be considered available for export during 1944-45, in addition to the new-crop surpluses from the 1944 harvests.

FATS, OILS, AND OILSEEDS

Stocks of fats and oils are now at the highest level since the spring of 1941, but are still below the pre-war level in relation to total annual domestic and export disappearance, which in 1944 may reach 12 billion pounds. On February 29, the latest date for which complete data are available, factory and warehouse stocks of primary fats and oils totaled 2,439 million pounds (crude basis), 410 million pounds more than a year earlier. The increase in stocks from the low point of 1,888 million pounds last October 1 reflects a large output of fats and oils, (notably lard), Government restrictions on civilian uses of fats, and difficulties in recent months in holding to export schedules.

Supported by strong civilian, military, and lend-lease demand, wholesale prices of fats and oils continue unchanged, with all at ceiling levels except those for oiticica oil. The index number of wholesale prices of 27 major fats and oils (including butter) in March stood for the ninth consecutive month at 108 percent of the 1924-29 average, compared with 114 percent in March 1943.

Apparent domestic disappearance of primary fats and oils in 1943, exclusive of the fat content of exported soap, margarine, and compounds and vegetable cooking fats totaled about 10.0 billion pounds compared with 10.3 billion pounds a year earlier. Disappearance in nonfood products was about 3.5 billion pounds, 60 million pounds less than in 1942. Disappearance in edible products declined about 250 million pounds to approximately 6.5 billion pounds. Thirty-five percent of total domestic disappearance in 1943 was in nonfood products, compared with 31 percent in 1935-39. This percentage tends to vary with industrial activity. In 1944, with production of soap expected to increase materially, and total industrial production expected to remain at a high level, the use of fats and oils in nonfood products will continue high.

Civilian disappearance of food fats in 1943 is estimated to have been 46.3 pounds per capita -- about 25 pounds less than in 1942 and about 2 pounds under the 1935-39 average. This estimate includes the actual weight of butter and the fat content of other products, and is computed on the basis of official estimates of the civilian population, plus an allowance for military personnel on leave.

CORN AND OTHER FEED

The feed grain supply situation continues tight, with demand strong for corn, oats, barley, and grain sorghums from all classes of users. Prices remained near ceiling levels during the past month. Weekly receipts of feed grains at principal primary markets dropped off sharply after mid-February, and in early April were only about one-half the receipts in corresponding weeks a year ago, and below the 1938-42 average. In an effort to increase

the flow of corn to essential users, the War Food Administration issued a set-aside order on corn (effective March 24) applicable to elevator stocks and receipts in 124 counties in the major corn-producing areas.

April 1 stocks of corn (farm, Terminal Market, and Government-held) totaled 1,128 million bushels, compared with 1,438 million bushels last year, and a 1933-42 average of 1,045 million bushels.

Total disappearance of corn during the January-March quarter was practically the same as the disappearance in the same quarter a year ago. If the disappearance during the remainder of the marketing year continues at about the same rate as in the corresponding period last year, the carry-over of corn next October 1 would be lower than for any year since 1937.

Total disappearance of oats in the January-March period was 301 million bushels, compared with 380 million bushels in the same period a year ago. Stocks of oats on April 1, at 424 million bushels, were the smallest since 1940 and were 17 percent below April 1 stocks a year ago.

If farmers carry out their intentions expressed on March 1, plantings of the four principal feed grains in 1944 will approximate 179 million acres, an increase of 2 percent over the 1943 planted acreage, and 7 percent over the 10-year (1933-42) average. Assuming yields based on averages for different periods in the last 7 years, which do not include years of severe drought, production of feed grains in 1944 would be from about 112 to 118 million tons. This would be from about 3 percent less to 3 percent more than last year, and 23 to 30 percent more than the average (1933-42) production.

Although this is a potentially large total production, consideration must be given to the smaller carry-overs of feed that are in prospect for the close of the present feeding year. The aggregate supply of feed grains for 1944-45 will not be large in relation to the number of grain-consuming animals in the country.

LIVESTOCK AND MEATS

Meat production throughout the first 9 months of 1944 is expected to continue at a heavier rate than last year. However, supplies will decrease seasonally this spring and summer. Meat production will probably be less during the last quarter of the year than in 1943, because of a smaller pork output. Hogs slaughtered in October-December 1944 will consist largely of hogs farrowed this spring. Indications are that the spring pig crop this year will be materially reduced from the record 1943 spring pig crop of 74 million head.

Hog prices advanced from the low level of the season during the third week in January until the end of March. Prices for hogs outside of the support-price range and for sows have shown the greatest improvement. However, hog prices declined in early April until Good and Choice 200- to 220-pound barrows and gilts averaged $13.82 at Chicago during the week ended April 15 compared with $14.21 a month earlier. The support price for Good and Choice 200- to 270-pound barrows and gilts is on a basis of $13.75 at Chicago through September 1944 and at $12.50 for Good and Choice 200- to 240-pound barrows and

gilts from October 1, 1944, to April 1, 1945. Large slaughter supplies of hogs during May and June will probably keep hog prices close to the support level. In late summer after the largest part of the 1943 fall pig crop has been marketed, there probably will be a price rise.

Hog slaughter in federally inspected plants, excluding war-duration plants, during January-March was 21.5 million head, 53 percent greater than slaughter during the same months of 1943. Slaughter of hogs in each month through September is expected to be materially greater than last year.

Slaughter of cattle and calves in the first quarter of 1944 by slaughterers of all types was about 15 percent greater than slaughter in the same period a year earlier. Relatively heavy marketings of cattle and calves are expected to continue through the spring and summer. Cattle and calf slaughter will be increased during the last 3 months of 1944, when receipts of grass-fat range cattle are largest, and will probably be larger than in the last 3 months of 1943.

Prices for Choice and Prime, and Good steers have remained at about the same level since June 1943. Prices for low-grade steers and cows have generally risen since the beginning of 1944. However, cattle prices are lower this year than last and it is expected that they will continue lower throughout the remainder of 1944 because of larger slaughter supplies.

The present outlook is for fewer lambs for slaughter this year than last, because of a 6 percent decrease in the early spring lamb crop and fewer breeding ewes on farms, which may be reflected in a smaller total lamb crop. Development of the early lamb crop in California, the principal early lamb State, has been poor this year; marketings have been delayed and a much larger proportion of lambs than usual will be classed as feeders. Slaughter of ewes is expected to be at a relatively heavy rate in 1944.

The War Food Administration has reduced its purchases of meat below the quantities bought in January and February. Purchases of cured and frozen pork in March totaled 115 million pounds, whereas purchases were almost 166 million pounds in January and 175 million pounds in February. Canned meat purchases of 51 million pounds in March were slightly greater than the purchase of almost 47 million pounds in February, and were about the same as purchases in January.

WOOL

The average appraisal value of the 1943 shorn grease wool purchased from producers by the Commodity Credit Corporation through March 25, 1944, was 46 cents a pound. This includes transportation, appraisal and handling charges which are deducted in determining the net price to growers. The estimated average price received by producers for wool in 1943 was 41.6 cents a pound. The prices at which the Commodity Credit Corporation is buying and selling domestic wools are considerably higher than domestic prices of comparable foreign wools. Early shorn wools of the 1944 clip are now being received by handlers for purchase by the CCC. The 1944 purchase agreement which was announced April 15 is similar to the 1943 program and the prices paid by the CCC will again be, in general, the current ceiling prices.

The CCC had purchased 219 million pounds of shorn wool and 45 million pounds of pulled wool by April 1, 1944. Large purchases of 1943 wools were made by mills and dealers before the Government purchase program went into effect on April 25, 1943.

Production of shorn wool totaled 384 million pounds in 1943 and production of pulled wool totaled 64 million pounds. Because of a reduction of 7 percent in sheep numbers from January 1, 1943, to January 1, 1944, production of shorn wool this year will be smaller than last year.

Weekly average mill consumption of apparel wool in February 1944 was slightly higher than in January 1943 and was the highest since June 1943. Consumption reached a peak in the spring of 1943, and then declined gradually through December. Consumption for the first 2 months of 1944 was at an annual rate of 605 million pounds, scoured basis, and was equal to the 1943 record rate of consumption. Although Government orders have been substantially reduced, orders for civilian fabrics have increased. Mills' unfilled orders for civilian goods at the end of 1943 were larger than at the close of any other recent year.

DAIRY PRODUCTS

Prices received by farmers, milk-equivalent basis, were slightly higher in March this year than last. In addition, dairy production payments in March this year brought producers' returns up an additional 50 to 80 cents per 100 pounds over last year for sales of whole milk and 8 cents per pound for sales of butterfat. The cost of grain and other concentrates fed to milk cows in areas selling whole milk advanced 24 percent from March 1943 to March 1944. The ratio of whole milk prices to feed prices, with the production payment included, was 1.40 in March this year compared with 1.39 a year earlier.

Total milk production on farms in March was slightly larger than in March 1943. The recovery in milk production per cow from the low level of last November has been considerably greater than anticipated, largely reflecting improved returns, better care and feeding, and a relatively mild winter. Milk production per cow on April 1, 1944 was 2 percent lower than on April 1, 1943. Milk cow numbers on January 1 were 2 percent larger than a year earlier and probably will continue to increase during the year, reflecting the large number of heifers being kept for milk cows and the high price of cows for milk relative to the price of cows for slaughter. On the basis of current trends, total milk production in 1944 may be 2 billion pounds larger than the 116 billion pounds expected earlier, about equal to the 118 billion pounds produced in 1943.

Civilian supplies of butter and cheese during the period April-June will be larger than they were during January-March, according to allocations announced by the War Food Administration. The setting aside of butter for war use was resumed by manufacturers on April 1. United States military and war services will be the sole purchasers of butter set aside this month. The set-aside is only 10 percent for this month, compared with 30 percent in April last year. Other important actions during March included the

issuance of FDO 95, bringing the distribution of milk sugar -- used principally in infant foods, pharmaceuticals, and penicillin -- under the direction of WFA; the establishment by OPA of specific dollars-and-cents ceilings on condensed milk products, replacing individual manufacturers' and wholesalers' ceilings previously in effect; and expansion of ODT's dairy industry transportation program by simplifying committee action in inaugurating truck conservation plans.

POULTRY AND EGGS

Reflecting the large supplies of eggs that were accumulated in January and February and the continued tight storage situation, egg prices declined considerably in late March as production increased further. Lower retail prices, together with the stronger demand in Easter week, resulted in substantial increases in consumption, and corresponding reductions in supplies at terminal markets. Morevoer, in late March and early April the War Food Administration took several steps to expedite the purchase of shell eggs for price-support purposes.

The announced support price for the spring and early summer is enough to reflect a United States average price of 30 cents a dozen to farmers. To implement this proclamation, support prices have been announced in terms of specific grades and sizes at designated points throughout the Nation. Egg prices are likely to increase considerably more from spring to fall this year than last, while the total egg output declines seasonally from early May to November.

Wholesale prices of all grades of eggs increased considerably in the first week of April. In mid-April prices of several of the top grades were about equal to prices of mid-March while prices of the lower grades were around 2 cents lower. The average price received by farmers for eggs in mid-March was 30.1 cents per dozen compared with 31.9 cents in mid-February and 34.0 cents in March last year.

Egg production in March was 4 percent larger than a year earlier after running 16 percent larger in the first 2 months of the year. The into-storage movement of shell eggs was larger than the record of a year earlier through March but was smaller in the first half of April.

The rate of culling among laying flocks has been heavier than the unusually light culling of a year earlier, but comparatively low for this season of the year. The demand for chicks weakened considerably with the decline in egg prices, and current purchases of chicks apparently are in line with farmers' early February intentions to purchase 17 percent fewer chicks this year than last. The number of layers on farms, beginning not later than next fall, probably will be smaller than a year earlier, thus resulting in lower egg production.

Total marketings of chickens in mid-April were larger than a year earlier, but civilian supplies still were moderately short of demand at ceiling prices.

FRUIT

Recent prices for most fresh fruits moving in volume to market have been higher than similar prices a year earlier. Prices received by farmers for apples March 15, 1944, reflecting short supplies, and increased demand, were 66 percent above those received a year earlier. For grapefruit, equivalent on-tree returns to farmers for all methods of sale averaged 16 percent higher on March 15, 1944, than a year earlier even though the crop was as large this year as last; whereas for oranges returns to farmers were about the same this March 15 as last, despite the much larger crop this year.

New York auction prices for Florida oranges advanced approximately one dollar a box from early March to early April, approaching ceiling levels. Similar prices for California Navel oranges continued at ceiling levels during March and early April. Prices for Florida grapefruit on the same auction advanced moderately during March but declined slightly in early April. Similar prices for Washington apples advanced slightly the first week of April, reflecting scheduled increases in ceiling prices. For the week ended April 7, 1944, New York auction prices averaged $4.79 a box for Florida oranges, $5.31 a box for California Navel oranges, $3.84 a box for Florida grapefruit, and $3.57 a box for Washington Winesap apples.

Prices for strawberries on the Hammond, Louisiana, auction, reflecting a shorter crop and higher consumer demand averaged $7.56 for a 24-pint crate for the week ended April 8, 1944, compared with $5.07 for the corresponding week a year earlier.

The present strong market position of fresh fruits is expected to continue, with prices for individual fruits at or near ceilings where maximum price regulations apply.

Shipments of fresh fruit by rail and boat totaled 6,041 cars for the week ended April 8, 1944, compared with 5,345 cars for the corresponding week a month earlier and 4,805 cars for the corresponding week a year earlier. Citrus fruit, the major fresh fruit moving to market, accounted for most of the increase in shipments during the past month. Shipments of strawberries increased greatly during March and early April, whereas those of apples remained steady and those of pears declined.

Supplies of fresh citrus fruit from this year's record-breaking crop continue plentiful. This season's record large crop of oranges and tangerines is indicated, as of April 1, at approximately 103 million boxes, 1.5 million boxes more than were indicated a month earlier. Upward revisions have been made in estimated production of early and midseason oranges, the harvesting of which is nearly completed. Production of such oranges in Florida and California, the two principal producing States, is estimated at 46 million boxes this season compared with 33 million boxes last season. In these two States, production of Valencia oranges is indicated at 48 million boxes this season, about the same as last season. Harvesting of Valencia oranges is well under way in Florida, but in California is not expected to become general until about the first of May.

A record large crop of grapefruit also is indicated for this season -- 50,579,000 boxes compared with 50,481,000 boxes for the previous season. As of April 1, the grapefruit harvest was about 90 percent complete in Texas, 75 percent in Florida, about 50 percent in Arizona, and less than 50 percent in California.

This season's crop of California lemons, the harvest of which is well under way, is indicated at 13.7 million boxes compared with 14.9 million boxes last season.

Fresh apples and pears, now taken from cold storage stocks, continue in short supply. Cold storage stocks of apples and pears on April 1, 1944, were 42 percent and 60 percent smaller, respectively, than a year earlier.

The April 1 condition of peaches in the 10 early Southern States was 73 percent this year compared with 48 percent last year, and 69 percent, the average for 1933-42. Low temperatures April 4-6 in these States reduced production prospects somewhat, but the full extent of the damage is not yet known. California peach orchards were in generally good condition April 1.

Production of early spring and midspring strawberries, based on April 1 conditions, is indicated at 4,103,000 crates, about one-fifth less than in 1943 and about one-half of the 10-year (1933-42) average. Although acreage is considerably less than last year, growing conditions are favorable and prospective yields are higher. The acreage of late spring strawberries is estimated to be slightly less than the 27,750 acres harvested in 1943.

TRUCK CROPS

The level of prices received by farmers for truck crops for fresh market shipment declined slightly from the first half of February to the first half of March. The index of truck crop prices in March 1944 (unadjusted seasonally) was 242, compared with an index of 326 for March 1943. The lower vegetable prices this winter and spring compared with last are the result of increased supplies and/or the specific price ceilings placed in effect since a year ago on eight truck crops (MPR 426 and amendments).

During the last half of March and the first half of April, f.o.b. prices at representative shipping points declined for new onions, peppers, and tomatoes, remained about at the same level for carrots and beets, and increased for snap beans, cabbage, cauliflower, celery, lettuce, old-stock onions, and spinach. During early April, cabbage, carrots, and green peppers were selling substantially below the ceiling price level, snap beans and lettuce somewhat below the ceiling level, and onions and spinach at or near the ceiling. Considering the ceiling price regulations and the prospective larger supplies, the level of vegetable prices during this spring season probably will continue substantially lower than in the spring of 1943.

Supplies of fresh market vegetables are expected to be more plentiful during the next few weeks than in the same period last year. Winter season production, now largely marketed, is estimated to be approximately 36 percent

larger this year than last. Spring plantings of fresh market truck crops thus far reported total 552,860 acres, or 24 percent larger than the corresponding acreage of these crops in 1943. Aggregate production of spring truck crops estimated to April 1 is indicated to be about 16 percent above the comparable production of a year earlier, and 25 percent above the 10-year (1933-42) average.

Prospective production in 1944 of some of the principal spring truck crops for fresh market shipment, as a percentage of production in 1943, follows: Early spring onions, 165 percent; early spring tomatoes, 155; early spring lettuce, 126; spring celery, 121; early spring cabbage, 116; spring cauliflower, 106; early spring snap beans, 105; spring spinach, 105; early spring asparagus, 101; early spring green peas, 96; mid-spring snap beans, 88; and spring carrots, 65 percent. These estimates are based on conditions as of April 1. During the first week of April, truck crops in Florida and other Southeastern States were damaged to some extent by frosts and heavy rains. It is not possible at present to evaluate accurately this damage.

Prospective acreages of summer season cabbage, onions, and watermelons are indicated at 102, 133 and 150 percent, respectively, of harvested acreages of these crops in 1943. The early fall acreage of Domestic and Danish cabbage, including cabbage used for sauerkraut, is estimated at 78,320 acres, or 25 percent above that of a year earlier.

Shipments of truck crops by rail and boat totaled 6,909 cars for the week ended April 8, 1944. This is approximately 8 percent smaller than the shipments for the week ended March 4, 1944, but 31 percent larger than the shipments for the week ended April 10, 1943. Market supplies of snap beans, cabbage, asparagus, carrots, lettuce, and new onions are expected to be plentiful during the next few weeks. Beets, cauliflower, celery, green peppers, green peas, spinach, and tomatoes should be available in moderate supply, with all except green peas in larger supply than a year earlier.

Processors' reports to the U. S. Department of Agriculture indicate plantings of 559,150 acres of sweet corn for canning and freezing in 1944. This would be about 1.5 percent larger than the acreage planted last year and 48 percent above the 10-year (1933-42) average. Larger plantings of green peas for processing, 497,400 acres, also are in prospect for 1944 than were planted in 1943. This would exceed the 1943 acreage by 2.5 percent, and the 1933-42 average by 49 percent. In contrast, the indicated 1944 acreage of snap beans for processing, 167,820 acres, is about 4 percent smaller than last year's although 140 percent above the 1933-42 average acreage. Assuming the indicated acreages are planted, normal abandonment occurs, and yields in line with the 1938-42 average are obtained, production of sweet corn, green peas, and snap beans for processing would be, respectively, about 17 percent, 3 percent, and 6 percent larger in 1944 than in 1943. These reports on prospective acreages of sweet corn, green peas, and snap beans for processing are only indications of processor's plans and should not be interpreted as the 1944 planted acreages of these crops. Reported 1944 production in California and Texas of spinach for processing is 67,400 tons, two-thirds larger than in 1943.

POTATOES

Monthly average prices received by farmers for potatoes in the United States have remained at approximately a constant level thus far this year. The price on March 15, 1944, was $1.37 per bushel or about 8 cents below that of a year earlier. Since mid-March, f.o.b. prices for old-stock potatoes have advanced in Idaho and remained unchanged in Maine. F.o.b. prices for U. S. No. 1 Bliss Triumph new-stock potatoes at Lower Rio Grande Valley points in Texas declined from $2.85 per 50-pound sack for the week ended April 1 to $2.50 for the week ended April 8.

Supplies of old-stock potatoes continue abundant, and new potatoes are moving to market in increasing quantities. Merchantable stocks of old potatoes as of March 1 totaled about 77 million bushels, 70 percent larger than a year earlier. Normally, March 1 merchantable stocks are between 55 million and 60 million bushels. Plantings of commercial early potatoes are now estimated at 395,000 acres — an acreage 5.5 percent larger than that of 1943, and 27 percent larger than the 10-year (1933-42) average.

Production estimates on new potatoes are available only for winter and early spring commercial potato crops, 1,494,000 bushels and 2,688,000 bushels, respectively. Aggregate production of these crops, 4,182,000 bushels, is 7 percent smaller than the comparable production of these crops in 1943.

The indicated plantings of 215,600 acres of commercial early potatoes in the late spring States exceed the large acreage of last year by about 7 percent. However, the weather in most of these States was unfavorable during March. April 1 condition, therefore, was less favorable this year than last. Crops in most of these States also are expected to be later than usual. Plantings in the summer season States are indicated at 137,100 acres, or about 1.5 percent larger than in 1943.

TOBACCO

Prices paid growers for practically all of the major types of tobacco during the 1943-44 marketing season were at or near the highest levels on record. Higher prices were especially pronounced for dark tobaccos, but substantial advances also occurred for burley and some types of flue-cured and cigar tobaccos. Maryland (1942 crop) sold at the highest average price in its history.. Total returns to growers for 1943 crop tobacco are estimated at 593 million dollars, compared with the previous record of 517 received for the 1942 crop.

The strong demand for leaf tobacco this season reflects the high level of domestic manufacturing and consumption of tobacco products, substantial lend-lease shipments, and improved outlook for exports to Africa and the liberated countries. Following the usual response of rising individual incomes, per capita consumption in this country reached an all-time peak in 1943. Cigarette consumption is at the highest level on record but tending to level off. Consumption of cigars and smoking tobacco, as indicated by sales of revenue stamps, however, is below last year. Actually, production and

consumption of tobacco products exceed tax-paid withdrawals by a considerable margin because of the large tax-free shipments to the armed forces outside the United States.

As a result of increased domestic requirements, substantial lend-lease shipments and other exports, stocks of most tobaccos are below a year ago. Additions to manufacturers' and dealers' stocks through purchase of the 1943 crop did not equal the season's disappearance for most types. But with domestic consumption of tobacco products tending to level off, and a large increase in production in prospect in 1944, it is probable that the supplies of most types of leaf available for domestic consumption during the 1944-45 season may be larger in relation to utilization than they were in the 1943-44 season.

According to the report of prospective plantings for 1944, one of the largest crops of tobacco on record may be in prospect this year. Growers' intentions as of March 1 were to plant 1,715,600 acres, an increase of 17.4 percent over last year's harvested acreage of 1,461,800 acres. Such an acreage with 5-year (1938-42) average yields, would produce a crop 18 percent greater than the 1943 production. Growers plan to increase flue-cured acreage 18 percent, from 846,400 acres in 1943 to 996,300 in 1944. This acreage with average yields would produce a crop of 946 million pounds, 20 percent greater than last year, and surpassed only by the record crop of 1939. March intentions point to an acreage of burley 21 percent greater than 1943. The 478,000 acres indicated with average yields would produce a 456-million-pound crop, 18 percent above last year's production and 7 percent above the previous record crop of 425 million pounds produced in 1931. Maryland growers plan an increase of 15 percent in acreage this year, while indications point to a 4 percent increase in dark fired and 32 percent in dark air-cured. Among cigar tobaccos, an increase of 12 percent is indicated for wrappers and 8 percent for binders, while a decrease of 3 percent is in prospect for the filler types.

ECONOMIC TRENDS AFFECTING AGRICULTURE
Annual Data

ITEM	UNIT OR BASE	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943
Industrial Production[1]																
Total	1935-39 = 100	110	91	75	58	69	75	87	103	113	89	109	125	162	199	239
All manufacturing	"	110	90	74	57	68	74	87	104	113	87	109	126	168	212	258
Durable goods	"	132	98	67	41	54	65	83	108	122	78	109	139	201	279	360
Nondurable goods	"	93	84	79	70	79	81	90	100	106	95	108	115	142	158	176
Minerals	"	107	93	80	67	76	80	86	99	112	97	106	117	125	129	132
Construction activities[1]																
Contracts, total	1935-39 = 100	204	160	110	49	44	56	64	96	103	111	125	141	212	288	118
Contracts, resident	"	213	122	91	32	27	29	32	91	100	110	147	176	218	201	98
Wholesale Prices[2]																
All commodities	1935-39 = 100	118	107	91	80	82	93	99	100	107	98	96	98	108	123	128
All commodities except farm and food	"	113	105	92	86	88	97	96	98	105	101	100	102	110	118	119
Farm products	"	138	116	85	63	68	86	104	106	114	90	86	89	108	139	161
Food	"	126	114	94	77	76	89	106	104	108	93	89	90	105	126	135
Prices Received and Paid by Farmers[3]																
Prices received, all products	1910-14 = 100	149	128	90	68	72	90	109	114	122	97	95	100	124	159	192
Prices paid, interest and taxes	"	167	160	142	124	120	129	130	128	134	127	125	126	133	151	164
Parity ratio	"	89	80	63	55	60	70	84	89	91	76	76	79	93	105	117
Consumer Expenditures[4]	1935-39 = 100	121				72		88	98	106	102	107	114	130	142	155
Cost of Living[2]	"															
Total	"	122	119	109	98	92	96	98	99	103	101	99	100	105	116	124
Food	"	132	126	104	86	84	94	100	101	105	98	95	97	106	124	138
Nonfood	"	118	116	111	103	97	97	97	98	101	102	102	102	105	113	116
Income	1935-39 = 100															
Nonagricultural payments	"	122	110	95	73	70	80	86	101	107	99	106	115	138	170	207
Cash farm[3]	"	142	113	80	60	67	79	89	105	111	96	99	105	140	194	242
Income of Industrial Workers	1935-39 = 100	134	110	84	58	61	76	86	100	117	91	105	119	169	238	305
Factory Payrolls	"	128	103	78	54	58	74	86	99	118	91	106	122	178	258	337
Weekly Earnings of Factory Workers[5]																
All manufacturing	dollars											23.86	25.20	29.58	36.65	43.16
Durable goods	"											26.50	28.44	34.04	42.73	49.32
Nondurable goods	"											21.78	22.27	24.92	29.13	34.12
Employment																
Total civilian[6]	Mil. persons	46.4	44.2	41.0	37.3	37.5	39.9	41.2	43.2	44.9	42.9	44.2	46.6	49.5	52.7	52.5
Nonagricultural establishments[5]	"	31.6	29.2	26.3	23.1	23.4	25.7	26.8	28.8	30.6	28.3	29.8	31.0	34.4	37.0	38.2
Farm[3]	"	11.3	11.1	11.2	11.1	11.0	10.8	11.1	11.0	10.9	10.8	10.7	10.6	10.3	10.4	10.3
Government Finance (Fed.)[7]																
Receipts, net	Mil. dollars							321	364	483	471	410	486	737	1,367	2,879
Expenditures	"							557	770	646	675	740	805	1,588	4,668	7,340

Sources: [1]Federal Reserve Board; converted to 1935-39 base. [2]Dept. of Labor, BLS. [3]Dept. of Agriculture, BAE. To convert prices received and prices paid, interest and taxes to 1935-39 base, multiply by .93110 and .77640 respectively. [4]Dept. of Commerce. [5]Dept. of Labor, BLS. [6]Dept. of Commerce estimates through 1939. From 1940 through 1943, Dept. of Commerce estimates were adjusted by BAE on basis of recent revisions in Bureau of Census estimates. [7]Dept. of Treasury. Data are on average monthly basis.

It is expected that data on an annual basis will be published only once a year. The monthly series will be published in each issue of the *Demand and Price Situation*.

ECONOMIC TRENDS AFFECTING AGRICULTURE

Item	Unit or base period	1943			1944		
		Year	Mar.	Dec.	Jan.	Feb.	Mar.
Industrial Production 1/	1935-39						
Total	= 100	239	235	241	243	244	242
All manufactures	"	258	253	260	261	262	260
Durable goods	"	360	351	365	368	368	366
Nondurable goods	"	176	174	174	175	177	175
Minerals	"	132	133	137	139	143	139
Construction activity 1/	1935-39						
Contracts, total	= 100	123	148	106	96	78	68
Contracts, residential	"	98	103	86	71	51	39
Wholesale prices 2/	1935-39						
All commodities	= 100	128	128	128	128	128	129
All comm. except farm and food	"	119	119	120	120	121	121
Farm products	"	161	162	160	160	161	163
Food	"	135	136	134	133	132	132
Prices received and paid by farmers 3/	1910-14 = 100						
Prices received, all prod.	"	192	192	194	196	195	196
Prices paid, int. and taxes	"	164	160	167	169	170	171
Parity ratio	"	117	120	116	116	115	115
Consumer expenditures 4/	1935-39						
Total	= 100	155	152	160	164	-	-
Cost of Living 5/	1935-39						
Total	= 100	124	123	124	124	124	124
Food	"	138	137	137	136	134	134
Nonfood	"	116	115	118	118	118	118
Income	1935-39						
Nonagricultural payments 4/	= 100	207	200	219	221	225	-
Cash farm 3/	"	252	260	256	264	277	-
Income of Industrial Workers 5/	1935-39	305	295	316	319	321	-
Factory payrolls	= 100	337	324	350	349	349	-
Weekly earnings of factory workers 5/	Dollars						
All manufacturing	"	43.16	41.75	44.58	45.15	-	-
Durable goods	"	49.32	47.79	50.50	51.21	-	-
Nondurable goods	"	34.12	33.08	35.61	35.91	-	-
Employment							
Total civilian 6/	Million	52.5	51.7	51.0	50.4	50.2	-
Employees in nonagri. est. 5/	Thous.	38,223	38,184	38,485	37,257	37,123	36,946
Farm 3/	"	10,263	8,730	9,519	8,202	8,303	8,562
Government finance (Federal) 7/	Mil. Dol.						
Receipts, net	"	2,879	5,206	5,736	2,747	2,503	6,573
Expenditures	"	7,340	7,534	7,452	7,570	7,862	8,525

Sources: 1/ Federal Reserve Board; converted to a 1935-39 base. 2/ U. S. Dept. of Labor, B.L.S. 3/ U. S. Dept. of Agriculture, B.A.E. To convert prices received and prices paid, interest and taxes to 1935-39 base, multiply by .93110 and .77640 respectively. 4/ U. S. Dept. of Commerce. 5/ U. S. Dept. of Labor, B.L.S. 6/ U. S. Dept. of Commerce, Bureau of the Census. 7/ U. S. Dept. of Treasury. Data for 1943 are on average monthly basis.

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